

## Message Text

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53

ACTION XMB-04

INFO OCT-01 AF-06 EUR-12 ISO-00 TRSE-00 OPIC-03 OMB-01

COME-00 EB-07 AID-05 CIAE-00 INR-07 NSAE-00 INRE-00

SSO-00 /046 W

----- 117622

O R 171500Z FEB 76

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 6541

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

C O N F I D E N T I A L KINSHASA 1405

PASS EXIM, OPIC, TREASURY, COMMERCE

E.O. 11652: GDS

TAGS: EGEN, EINV, CG

SUBJECT: EXIMBANK FINANCING FOR INGA-SHABA TRANSMISSION LINE

REF: A. STATE 026609 (NOTAL);B. STATE 033505;  
C. KINSHASA 1263 (NOTAL); D. KINSHASA 1398

1. AS REPORTED REF D PRESIDENT MOBUTU HAS INITIALED  
PROPOSED IMF STANDBY AGREEMENT AND GOZ IS IN PROCESS OF  
IMPLEMENTING ITS STABILIZATION PROGRAM.

2. APPROPRIATE GOZ OFFICIALS HAVE SIGNED REPLY TO  
EXIMBANK LETTER OF JANUARY 15 AS REQUESTED BY REF A  
AND CIS REP NEVILLE ADAMS WILL DELIVER THIS LETTER TO  
EXIMBANK REPS WEDNESDAY, FEB 18.

3. MUANDA, FINANCE CABINET DIRECTOR, ASSURED EMBOFF  
FEB 17 THAT COMMISSIONER OF FIANCE BOFOSSA WILL TELEX  
APPROVAL TO IBRD LOAN OFFICER AS REQUESTED REF A.

4. REF B POINTS OUT ACUTE FINANCILA PROBLEMS OF  
MORRISON-KNUDSEN CONCERNING THIS PROJECT AND STRESSES  
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TIMELINESS OF EXIMBANK APPROVAL. LOCAL MK OFFICIALS

HAVE ALSO DISCUSSED WITH US POSSIBILITY THAT MK MAY DECIDE TO CEASE ALL OPERATIONS IF IT DOES NOT RECEIVE FIRM FINANCING COMMITMENT. THEY CONSIDER CRUCIAL DEAD-LINE TO BE ANNUAL BOARD MEETING SCHEDULED FEB 28 AT BOISE. THEY ARE AFRAID THAT INDEPENDENT MEMBERS OF BOARD MAY VOTE TO CEASE ALL OPERATIONS IN ORDER TO LIMIT MK LIABILITY IF IT DOES NOT APPEAR REASONABLY CERTAIN THAT EXIMBANK FINANCING WILL BE FORTHCOMING.

5. AS RESULT OF ABOVE FACTORS EMBASSY BELIEVES THAT GOZ HAS ESSENTIALLY COMPLIED WITH EXIMBANK PRE-CONDITIONS CONCERNING EXIMBANK FINANCING OF PROPOSED INGA-SHABA COST OVERRUN. WE CONSIDER THAT COMPLETION OF INGA-SHABA TRANSMISSION LINE IS OUR MOST IMPORTANT ECONOMIC INTEREST AT THIS TIME. FAILURE TO COMPLETE THE LINE WOULD NOT ONLY JEOPARDIZE RECOVERY OF EXIMBANK'S ALREADY LARGE OUTSTANDING INVESTMENT IN THIS PROJECT BUT WOULD ADVERSELY AFFECT USG-GOZ BILATERAL RELATIONS. GOZ HAS CONSISTENTLY REGARDED THE INGA-SHABA TRANSMISSION LINE AS A USG PROJECT AS THE CONTRACT WAS OBTAINED LARGELY AT BEHEST OF USG OFFICIALS AND BULK OF FINANCING WAS PROVIDED OR GUARANTEED BY USG AGENCIES.

6. TO SUMMARIZE, WE CONSIDER THAT COMPLETION OF THIS PRIORITY GOZ ECONOMIC PROJECT IS ESSENTIAL FOR THE CONTINUATION OF GOOD RELATIONS BETWEEN OUR TWO GOVTS.  
WALKER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, INGA SHABA, FINANCIAL PROGRAMS, ELECTRIC POWER PLANTS  
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**Copy:** SINGLE  
**Draft Date:** 17 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** 76 STATE 26609  
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**Status:** NATIVE  
**Subject:** EXIMBANK FINANCING FOR INGA-SHABA TRANSMISSION LINE  
**TAGS:** EGEN, EINV, CG, IMF, (MOBUTU SESE SEKO)  
**To:** STATE  
**Type:** TE  
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